

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2500

IN THE MATTER OF:

Served November 17, 1983

Application of INTERNATIONAL)
LIMOUSINE SERVICE, INC., for)
Authority to Increase Rates)

Case No. AP-83-55

On October 20, 1983, as supplemented October 27, 1983, International Limousine Service, Inc. (ILS), filed its WMATC Tariff No. 4 */ to cancel WMATC Tariff No. 1, Modified Tariff No. 1 effective November 20, 1983. The proposed tariff would increase charter sightseeing and transfer rates, as set forth below:

<u>Service</u>	<u>Current Fare</u>	<u>Proposed Fare</u>
Sightseeing	\$29.50/hour 4-hour minimum	\$30/hour 4-hour minimum plus travel time
Charter	\$28/hour 3-hour minimum	\$30/hour 4-hour minimum plus travel time
Transfers - Points in Metropolitan District excluding Dulles International Airport - Dulles International Airport	\$55 \$78	2-hour minimum plus travel time 3-hour minimum plus travel time

In support of its application ILS filed a Profit and Loss Statement for the first nine months of 1983 and pro forma Profit and Loss Statements for a twelve-month period based on current fares and giving effect to the proposed rates. The carrier did not file a recent balance sheet, and has not indicated whether the proposed minimum charges include travel time in each instance. The Profit and Loss

*/ As filed, the proposed tariff number is Tariff No. 1, Supplement No. 1, but applicant has previously supplemented its Tariff No. 1 and has previously filed Tariff Nos. 2 and 3.

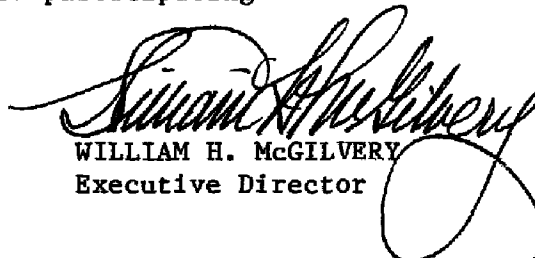
Statement for the nine months ending September 30, 1983, shows a net loss of \$13,692, the pro forma statement for a 12-month period based on existing rates shows a net loss of \$18,250 and the pro forma income statement giving effect to proposed rates indicates a net loss of \$5,135. Each of these statements includes interest costs as expenses of the business. Separating interest expense from operating and other expenses, the statements show a loss of \$4,431 on the nine-month operating statement, a loss of \$5,905 on the pro forma based on existing rates, and a profit (before taxes) of \$7,364 on the pro forma giving effect to the proposed rates for an operating ratio of 95.3 percent. It is not clear from the information supplied as to whether the financial data pertains solely to WMATC operations or includes other revenue service outside the scope of the Commission's jurisdiction.

Title II, Article XII, Section 6(a)(1) of the Compact authorizes the Commission to suspend any fare, regulation or practice at any time prior to the effective date thereof. In considering whether such fare, regulation or tariff shall be suspended, the Commission must consider, inter alia, the financial condition of the carrier, its revenue requirements, and whether the carrier is being operated economically and efficiently. Further, the Compact, Title II, Article XII, Section 6(a)(2) mandates that fares, regulations or practices relating thereto must be just, reasonable, and not unduly preferential either between riders or sections of the Metropolitan District. Subsections (a)(3) and (a)(4) list additional considerations, including the need, in the public interest, of adequate and efficient transportation service by a carrier at the lowest cost consistent with the furnishing of such service, and the opportunity for a carrier to earn a net return of at least 6.5 percent after all taxes properly chargeable to transportation operations.

Pursuant to the Compact, the proposed tariff will be suspended to allow additional time to review the supplemental financial data and to clarify certain items contained therein.

THEREFORE, IT IS ORDERED that WMATC Tariff No. 4, filed October 20, 1983, as supplemented October 27, 1983, by International Limousine Service, Inc., is hereby suspended for a 90-day period being November 18, 1983, and continuing through February 15, 1984, unless otherwise ordered by the Commission.

BY DIRECTION OF THE COMMISSION, COMMISSIONERS WORTHY, SCHIFTER AND SHANNON; Commissioner Worthy not participating:


WILLIAM H. MCGILVERY
Executive Director